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Letter dated 11 July 2005 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my predecessor's letter of 25 April 2003 (S/2003/479). The Counter-Terrorism Committee has received the attached third report from Mongolia submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ellen Margrethe **Løj**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

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Annex

Letter dated 7 July 2005 from the Permanent Representative of Mongolia to the United Nations addressed to Chairman of the Counter-Terrorism Committee

I have the honour to transmit herewith the third report of the Government of Mongolia on implementation of Security Council resolution 1373 (2001) (see enclosure).

(*Signed*) Baatar **Choisuren**
Ambassador
Permanent Representative

Enclosure

Third report on the actions taken by the Government of Mongolia to implement Security Council resolution 1373 (2001)

Mongolia submitted its first report on the measures taken by the Government of Mongolia against terrorism pursuant to Security Council resolution 1373 (2001) in November 2001 (S/2001/1135) and the supplementary report in October 2002 (S/2002/1152). This third national report is prepared as response to the CTC letter dated 22 March 2003.

1. General measures

Mongolia has consistently condemned all terrorist activities and while participating in the Anti-terrorist Coalition it has adopted legislative, administrative and organizational measures against terrorism.

In 2004 the Parliament of Mongolia adopted the Law on Combating Terrorism which provided a legal and organizational basis for combating terrorism. Pursuant to the law the Government of Mongolia established a Council for Coordinating Anti-terrorist Action with a view to exchanging information on preventing terrorism and regulating coordination among various authorities. The Council has developed a National Action Plan for Preventing Terrorism and Regulating Anti-terrorist Operations.

The 1998 Rome Convention against Maritime Navigation and its Protocol have been submitted to the Government of Mongolia for consideration. A draft law on suppression of the money-laundering and financing of terrorism has been drawn up jointly with the IMF and will be submitted to the Government in the near future.

In order to improve regulation of the money-laundering and financing of terrorism, the draft law on the Legal Status of Financial Coordination Committee is being considered by the Parliament of Mongolia, and a working group is revising the Law on Currency Settlements.

2. Implementation of resolution 1373 (2001)

Pursuant to the resolution Mongolia is obliged to implement provisions of the global conventions against terrorism and incorporate the resolution itself into Mongolia's domestic legislation. Many of the offences defined in the conventions are criminalized in the Criminal Law of Mongolia, in particular in Articles 81 (terrorist acts against government and public officials), 112 (taking of hostages), 177 (terrorist attacks), 178 (false report about terrorist attacks), 184 (violation of aviation safety), 225 (aircraft hijacking), 300 (acquisition, production or proliferation of nuclear materials), 301 (attacks on persons enjoying international protection), 303 (recruitment) and 184-190 (unlawful use of firearms, ammunition and explosives). Mongolia is working on elaborating a draft law on amending the Criminal Law with a view to harmonizing the Criminal Law with the international conventions on terrorism, organized crime, corruption and money-laundering.

Below are the answers for the questions posed by the Counter-Terrorism Committee of the United Nations Security Council with the letter dated 2 April 2003 (S/AC.40/2003/MS/OC.241), pursuant to the supplementary report of the Government of Mongolia.

CTC's comments/questions	*Measures taken by the Government of Mongolia*
1.2. The supplementary report states that the wilful provision or collection of funds for terrorist purposes was not specifically made a crime in the new Criminal Code of Mongolia. The CTC would welcome an indication of the action which Mongolia intends taking in that regard.	Mongolia ratified the Convention for the Suppression of the Financing of Terrorism in 2003. The draft law on suppression of the money-laundering and financing of terrorism identifies such acts as criminal and the Criminal Law will also be amended in order to be in conformity with the resolution. According to the Law on Combating Terrorism, adopted in 2003, the provision and accumulation of property or money for a terrorist organization or a legal person, who supports it, is a terrorist activity.
1.3. For the effective suppression of the financing of terrorism an obligation must be placed on all financial institutions and other financial intermediaries (including lawyers, notaries and accountants when engaged in financial transactions) to report all suspicious transactions, as provided for under Article 18 of the Convention for the Suppression of the Financing of Terrorism. The supplementary report states in reply to Paragraph 4, that the Bank of Mongolia, acting under resolution 226 of the Government of Mongolia, has circulated a Recommendation on the Issues of Concern for Banks and Financial Institutions in Combating Money-laundering activities. Could Mongolia provide an explanation elaborating further on this point. The CTC would appreciate receiving an outline of the legal provisions which give effect to those anti-money-laundering requirements in domestic legislation.	Under the draft law on suppression of the money-laundering and financing of terrorism, all financial institutions and other financial intermediaries including notaries, lawyers, accountants and realtors shall be obliged to report on suspicious transactions. Under the Law on Combating Terrorism, any person or legal person shall provide state organizations with information on preventing terrorism. According to Article 163 of the Criminal Law the use of property or money, obtained by unlawful means shall be punishable.
1.4. Effective implementation of paragraph 1 of the Resolution also requires the establishment of an appropriate monitoring mechanism (involving for example registration and auditing requirements) to ensure that the funds collected by organizations which have or claim to have charitable, social or cultural goals are not diverted to purposes other than their stated purposes, in particular to the financing of terrorism. Do the laws of Mongolia impose an audit requirement on the organizations concerned?	The draft law on suppression of the money-laundering and financing of terrorism establishes the Financial Information Service. This body shall have such functions as collecting and analysing information on suspicious transactions, taking decision to suspend a transaction if there is a sufficient ground that the transaction or attempt to execute the transaction is related to activities of money-laundering or funding terrorism. The Financial Information Service shall take decision to transfer a customer to the authorized agency for initiating a criminal case, the assets related to the transactions shall be blocked. Article 7 of the Audit Law provides for the list of entities and organizations, which are obliged to have their financial reports audited.

CTC's comments/questions	Measures taken by the Government of Mongolia
1.5 Please outline the legal provisions in force in Mongolia, which regulate alternative money transfer agencies or services. In the absence of such provisions could Mongolia indicate the steps, which it intends taking in order to incorporate this aspect of the Resolution into its domestic law.	According to Article 8 of the Law on Currency Settlements (1994), the Bank of Mongolia shall be authorized to monitor permanent resident outgoing transactions and any activities involving transactions in foreign currencies. Chapter 3 of the Law on Deposits, Loans and Banking Transactions (2002) regulates transactions. Non-bank money transactions are regulated by the Banking Law (1996) and the Non-bank Financial Activities (2002) of Mongolia. According to subparagraph 7.1.6 of the Law on Non-bank Financial Activities (2002) non-bank financial activities shall include electronic payment and remittance service. The draft law on suppression of the money-laundering and financing of terrorism provides provisions that would regulate alternative money transfer agencies or services.
1.6 Subparagraph (c) of the Resolution requires, inter alia, that States freeze without delay the funds of persons who commit, attempt to commit, participate in or facilitate the commission of terrorist acts. The CTC would welcome a report on the steps which Mongolia intends taking in order fully to comply with this aspect of the Resolution.	Financial Information Service, provided for under the draft law on suppression of the money-laundering and financing of terrorism, is authorized to suspend a transaction if there is sufficient ground to believe that the transaction or an attempt to execute the transaction is related to activities of money-laundering or funding terrorism.
1.7 Subparagraph 2 (a) of the Resolution requires each Member State, inter alia, to criminalize the recruitment within its territory to terrorist groups which intend carrying out their operations inside its territory or abroad. In this connection, the supplementary draws attention to articles 177 (1) and 177 (2) of the Criminal Code. However, those articles would appear to apply only to cases of internal security. Furthermore, it will not always be the case that the person carrying out the recruitment will actually belong to a criminal or terrorist organization. In consequences, the existing Mongolian provisions would not appear fully to meet the requirement of subparagraph 2 (a) in relation to recruitment. Please inform the CTC as to the action which Mongolia proposes taking in this regard.	Mongolia ratified the Convention for the Suppression of the Financing of Terrorism in 2003 and adopted the Law on Combating Terrorism in 2004. According to the latter recruiting, arming or teaching people in order to carry out terrorist acts is a terrorist activity. Under Article 14 of this law, a person who participates in terrorist activities or terrorist acts shall be liable for punishment provided for in the Criminal Law of Mongolia. Article 182 of the Criminal Law states that establishing an organized or a criminal group, joining or participating in it, is a criminal offence. Article 303 of the same law states that using mercenary is a criminal offence.

CTC's comments/questions	*Measures taken by the Government of Mongolia*
1.8. Effective implementation of subparagraph 2 (d) and (e) of the Resolution requires each State to establish as a crime the use of its territory for the purpose of committing a terrorist act against another State or its citizens or for the purpose of financing, planning and facilitating terrorist acts against another State or its citizens, even though no related terrorist act has been committed or attempted. These requirements are summed up in the legal maxim "prosecute or extradite" (aut dedere aut iudicare). The CTC would welcome receiving more details about the current situation in Mongolia in this respect. The CTC would also be interested in learning Mongolia's plans in this regard.	Under the Law on Combating Terrorism, one of the main directions of preventing terrorism is creating conditions for non-access of international terrorism or a terrorist to the territory of Mongolia. So far no reports have been received in this regard.
1.9. Please provide a progress report on the signature and ratification of the three international instruments relating to terrorism which have not been signed by Mongolia. The CTC would also appreciate receiving an outline of the steps taken by Mongolia to implement in domestic law the provisions of the nine international instruments pertaining to the prevention and suppression of terrorism to which Mongolia is already party.	Mongolia ratified the Convention for the Suppression of the Financing of Terrorism on 18 December 2003. The Parliament of Mongolia shall soon examine the Rome Convention for the Suppression of Unlawful Acts against the Safety of the Maritime Navigation and the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf.
1.10. The CTC is aware that Mongolia may have covered some or all of the points in the preceding paragraphs in reports or questionnaires submitted to other organizations involved in monitoring international standards. The CTC would be content to receive a copy of any such report or questionnaire as part of Mongolia's response to these matters as well as details of any efforts to implement international best practice, codes and standards which are relevant to the implementation of resolution 1373.	Mongolia has submitted its report pursuant to paragraphs 6 and 12 of resolution 1455 (2003) (S/AC.37/2004/(1455)/31) to the Security Council Committee established pursuant to resolution 1267 (1999) in 2004.

3. Assistance

There are many obstacles in implementing provisions of international instruments against terrorism. The Government of Mongolia is conducting negotiations with the United Nations Organization on Drugs and Crime on organizing a workshop on the Ratification and Legislative Implementation of Universal Anti-Terrorism Conventions and organized crime convention, anti-corruption and anti-money-laundering standards in Ulaanbaatar this year.